

Financial Report
South Central Planning &
Development Commission, Inc.
Houma, Louisiana
For the year ended June 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 22 2012**

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South Central Planning & Development Commission, Inc.

June 30, 2011

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PRINCIPAL OFFICIALS

South Central Planning & Development Commission, Inc.

June 30, 2011

Officers

Richard Champagne
Chairman
Dale Hymel, Jr.
Vice Chairman
Mark Atzenhoffer
Secretary
Michel Claudet
Treasurer

Town of Lockport

St James Parish

Lafourche Parish

Terrebonne Parish

Commissioners

Martin Triche
Calvin James
Willie Reed
Tommy Eshcete
Charlotte Randolph
V.J. St Pierre
Wendy Bendetto
Ellis Alexander
George Williamson
Ken Brass
Michael R. Guillot, Jr.
Natalie Robottom
Aaron Tregre
James Wagner
Dr. Henry Hardy
Arlanda Williams
Al Badeaux
Marvin Marmande, Jr.
Leroy Charles
Drake Pothier
John Rogers
Joey Bouziga
Terry Borne
Rowdy Scott
Ron Animashaun

Assumption Parish
Assumption Parish
Assumption Parish
City of Thibodaux
Lafourche Parish
St. Charles Parish
St. Charles Parish
St. Charles Parish
St. Charles Parish
St. James Parish
St. James Parish
St. John the Baptist Parish
St. John the Baptist Parish
St. John the Baptist Parish
St. John the Baptist Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Town of Golden Meadow
Town of Gramercy
Town of Lutchter
Village of Napoleonville

Chief Executive Officer

Kevin P. Belanger

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the South Central Planning & Development Commission, Inc (the Commission) as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the South Central Planning & Development Commission, Inc., as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Economic Development Administration Revolving Loan Fund, Louisiana Economic Development Small Business Recovery Loan and Grant Phase I and II Funds, Louisiana Economic Development Revolving Capital Fund and Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 11 to the financial statements, the South Central Planning & Development Commission, Inc. has expended certain federal grant funds in prior years in a manner that may have violated certain restrictive provisions of the related grant. The possible outcome of these matters, which have been reported to appropriate federal and state officials, is uncertain at this time. Accordingly, no provision for a liability has been made in the financial statements for possible federal and state claims for refunds of those grant monies

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2011 on our consideration of South Central Planning & Development Commission, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basics financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express and opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's financial statements as a whole. The listing of principal officials and combining statement of governmental fund revenues, expenditures and changes in fund balance – Grant Fund Programs are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining statement of governmental fund revenues, expenditures and changes in fund balance – Grant Fund Programs and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The listing of principal officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 27, 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS

South Central Planning and Development Commission, Inc.

The Chief Executive Officer and Chief Administrative Officer are responsible for the overview and analysis of the financial activities of South Central Planning & Development Commission, Inc. (the Commission) for the year ended June 30, 2011. The narrative provided is designed to introduce the financial highlights and offer an overview of our financial statements.

Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and facts known to date. This narrative includes a government-wide financial analysis of revenues, expenses and changes in the net assets. Further detail offers our readers a financial analysis of the Commission's funds consisting of the governmental fund types and proprietary funds

FINANCIAL HIGHLIGHTS

Assets of the Commission exceeded its liabilities at June 30, 2011 by \$12,308,939 (net assets). Of this amount, \$1,967,189 (unrestricted net assets) may be used to meet the Commission's ongoing obligations.

The Commission's total net assets decreased by \$661,567 for the year ended June 30, 2011. The business-type net assets decreased by \$75,230 for the year ended June 30, 2011.

The Commission's governmental funds reported that total assets decreased by \$69,113 or .64% and total liabilities decreased by \$1,136,238 or 14.74%. Total governmental fund assets exceeded liabilities at June 30, 2011 by \$4,116,828 (fund balance) an increase of \$1,067,125 or 34.99%. Of this \$4,116,828 fund balance, \$26,835 is held for nonspendables, \$2,665,840 is committed for loan and grant programs and the administration of those programs, \$70,000 is assigned for building construction, \$573,459 is assigned for next year's budget deficit and \$780,694 is unassigned in the General Fund.

Operating grants and contributions increased by \$216,668 or 28.78%. Charges for services revenue decreased by \$1,139,543 or 54.66% due to a decrease in contracts with Louisiana Department of Wildlife and Fisheries. Capital grants and contribution increased by \$44,448 or 4.17% primarily due to increased funding from Homeland Security grants for mutual aid and assistance task force spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to South Central Planning & Development Commission's basic financial statements. South Central Planning & Development Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements, reported in Exhibits A and B, are designed to be similar to private-sector business in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. These statements combine governmental funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a column for the business-type activities of the primary government.

The Statement of Net Assets, reported in Exhibit A, presents information on all the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities, reported in Exhibit B, presents information showing how the government's net assets changed during the most recent fiscal year. All changes in the assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, earned but unused vacation leave result in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities, which are provided by the government's general dues assessment and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services and the business-type activity.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types. All funds of the Commission can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund presentation in Exhibits C through L is presented on a sources and uses of liquid resources basis. This is the manner in which the financial budget is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The Commission has presented the following major funds: General Fund, Economic Development Administration Revolving Loan Fund, Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Fund, Louisiana Economic Development Small Business Recovery Loan and Grant Phase II Fund, Louisiana Economic Development Revolving Capital Fund and Grant Fund.

There are no non-major governmental funds.

Proprietary Funds include an enterprise fund on the fund financial statements illustrated in Exhibits M through O. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The Enterprise Fund is presented as a major fund – the Regional Building Code. The intent is that costs of goods or services to the general public on a continuing basis be financed primarily through user charges.

While the business-type fund financial statements for the enterprise fund (See Exhibits M through O) is the same as the business-type column, the government-wide financial statement and the governmental funds total column requires a reconciliation because of the different measurement focus which is reflected on the page following each governmental fund statement (see Exhibits D and F). The flow of current financial resources will reflect loan collections as revenues and interfund transfers as other financial sources as well as capital outlay and loan disbursements as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements.

Capital Assets

General capital assets include buildings and furniture, fixtures and equipment and all other tangible and intangible assets that are used in operations and exceed the Commission's capitalization threshold, as explained in Note 1i), Exhibit P. Accumulated depreciation and amortization is recorded for the life span of the asset.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the financial statements and can be found in Exhibit P of this report.

Other Information

Other supplementary financial information can be found in Schedule 1 of this report and presents the combining revenues, expenditures and changes in fund balance for the various grant programs within the Grant Fund.

Also included in the report are special auditor reports on internal control over financial reporting, compliance and other matters, findings and schedules as required by government auditing standards. The Office of Management and Budget through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Commission's federally funded programs in a manner that can facilitate financial and compliance analysis by agencies that have granted Federal money to the Commission.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets at June 30, 2011 with comparative figures from June 30, 2010:

TABLE A-1
Condensed Statement of Net Assets

	Governmental Activities June 30,		Business-type Activities June 30,		Totals June 30,	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 10,683,583	\$ 10,751,300	\$ 639,714	\$ 733,844	\$ 11,323,297	\$ 11,485,144
Capital assets	1,383,874	1,445,698	445,257	385,288	1,829,131	1,830,986
Total assets	<u>\$ 12,067,457</u>	<u>\$ 12,196,998</u>	<u>\$ 1,084,971</u>	<u>\$ 1,119,132</u>	<u>\$ 13,152,428</u>	<u>\$ 13,316,130</u>
Long-term liabilities	\$ 47,826	\$ 67,059	\$ 30,513	\$ -	\$ 78,339	\$ 67,059
Other liabilities	719,976	243,947	45,174	34,618	765,150	278,565
Total liabilities	<u>767,802</u>	<u>311,006</u>	<u>75,687</u>	<u>34,618</u>	<u>843,489</u>	<u>345,624</u>
Net assets:						
Invested in capital assets	1,383,874	1,445,698	445,257	385,288	1,829,131	1,830,986
Restricted for EDA/RLF	1,682,213	1,562,487	-	-	1,682,213	1,562,487
Restricted for LED I	729,607	1,350,338	-	-	729,607	1,350,338
Restricted for LED II	3,098,435	5,340,841	-	-	3,098,435	5,340,841
Restricted for LED RCF	3,002,364	572,247	-	-	3,002,364	572,247
Unrestricted	1,403,162	1,614,381	564,027	699,226	1,967,189	2,313,607
Total net assets	<u>11,299,655</u>	<u>11,885,992</u>	<u>1,009,284</u>	<u>1,084,514</u>	<u>12,308,939</u>	<u>12,970,506</u>
Total liabilities and net assets	<u>\$ 12,067,457</u>	<u>\$ 12,196,998</u>	<u>\$ 1,084,971</u>	<u>\$ 1,119,132</u>	<u>\$ 13,152,428</u>	<u>\$ 13,316,130</u>

For more detailed information see Exhibit A, the Statement of Net Assets.

Approximately 14.86% of the Commission's net assets as of June 30, 2011, reflect the Commission's investment in capital assets (buildings, furniture, fixtures, equipment and intangible assets), 13.67% is restricted for future Economic Development Administration Revolving Loan Fund loans, 5.93% is restricted for future LED Small Business Recovery Loans and Grants Phase I, 25.17% is restricted for future LED Small Business Recovery Loans and Grants Phase II, 24.39% is restricted for future LED Small Business Recovery Loans and Grants Revolving Capital Fund and the remaining 15.98% of net assets, referred to as unrestricted, may be used to meet the ongoing obligations of the Commission.

The following table provides a summary of the changes in net assets for the year ended June 30, 2011, with comparative figures from June 30, 2010:

Table A-2
Condensed Statement of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	For the year ended June 30,		For the year ended June 30,		For the year ended June 30,	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charge for services	\$ 945,071	\$ 2,084,613	\$ 1,192,810	\$ 1,155,417	\$ 2,137,881	\$ 3,240,030
Operating grants and contributions	969,630	752,962	-	-	969,630	752,962
Capital grants and contributions	1,108,369	1,063,921	225,757	210,113	1,334,126	1,274,034
General revenues						
Dues assessment	132,533	131,065	-	-	132,533	131,065
Grants and contributions not restricted to specific programs	154,212	150,305	-	-	154,212	150,305
Unrestricted investment earnings	846	1,051	406	1,545	1,252	2,596
Miscellaneous	8,314	9,902	-	-	8,314	9,902
Total revenues	3,318,975	4,193,819	1,418,973	1,367,075	4,737,948	5,560,894
Expenses						
Economic Development and Assistance	3,905,312	4,571,430	1,494,203	1,539,971	5,399,515	6,111,401
Change in net assets	(586,337)	(377,611)	(75,230)	(172,896)	(661,567)	(550,507)
Net Assets						
Beginning net assets	11,885,992	12,263,603	1,084,514	1,257,410	12,970,506	13,521,013
Ending net assets	\$ 11,299,655	\$ 11,885,992	\$ 1,009,284	\$ 1,084,514	\$ 12,308,939	\$ 12,970,506

The Commission's net assets decreased by \$661,567 during the current fiscal year.

Governmental Activities net assets decreased \$586,337, primarily due to decrease in charges for services revenue being greater than decreases in expenses.

Business-Type Activities net assets decreased by \$75,230, due to the reduction of permits being issued by the member Parishes due to the economy.

Financial Analysis of the Commission's Funds

The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Commission's financing requirement. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balances of the Commission's governmental funds at June 30, 2011 was \$4,116,828 as compared to \$3,049,703 at June 30, 2010, an increase of \$1,067,125. Revenues for the Commission's governmental funds for the year ended June 30, 2011 were approximately \$6.00 million. There are four funding categories: intergovernmental (37.26%), charges for services (15.73%), interest earned (1.25%), and miscellaneous (45.76%).

The Commission's governmental expenditures were approximately \$4.94 million for the year ended June 30, 2011. There are six categories of expenditures: personal services (31.63%), other services and charges (40.36%), loan disbursements (25.25%), supplies and materials (1.52%), repairs and maintenance (.57%), and capital expenditures (67%).

An increase in other services and charges of \$137,422 was mostly due to additional purchases for the River and Bayou Parishes Mutual Aid and Assistance Task Force. The personal services category decreased \$316,465 due to layoffs because of the completion of Louisiana Department of Wildlife and Fisheries contracts. The loan disbursements increased \$496,987 due to additional loan closings in the LED Revolving Capital program. A \$50,501 decrease in the supplies and materials category was due to not needing grant supplies for the Louisiana Department of Wildlife and Fisheries contracts. There was a slight increase of \$8,707 in the repairs and maintenance category and a decrease of \$72,199 capital expenditures due to completion of building improvements in the prior year.

The Commission's financial position improved over the past year due to an excess of revenues over expenditures of \$1,067,125, mostly due to loan repayments. The Commission has also received additional grant awards and contracts. Because, the Commission constantly faces the possibility of funding cuts from state and federal funding sources there is a continued effort to aggressively seek additional revenue sources for future funding.

Fund Analysis

General Fund:

The General Fund is the chief operating fund of the Commission. At the end of the current fiscal year, the total fund balance of the General Fund was \$1,450,988. Of this amount, \$26,835 was nonspendable, \$70,000 was assigned for building construction, \$573,459 was assigned for next year's budget deficit, the remainder of fund balance, \$780,694 is unassigned. During the current fiscal year, the fund balance of the Commission's General Fund, decreased by \$230,452 (Exhibit E) The key factor of this decrease was due to the completion of the Louisiana Department of Wildlife and Fisheries contracts and related transfers of excess revenues over expenditures from special revenue funds accounting for the contracts.

Economic Development Administration Revolving Loan Funds:

The Revolving Loan Fund is the Title IX Sudden and Severe Economic Dislocation grant, received from the Economic Development Administration, a division of the U S. Department of Commerce.

The fund balance of the Revolving Loan Fund was \$463,288 at the end of the current fiscal year. During the current fiscal year, the fund balance increased by \$165,680 (Exhibit E). The key factor of this increase was excess loan collections over new loans disbursed.

Louisiana Department of Economic Development Grant/Loan Phase I and Phase II Fund accounts for the disbursement of Community Development Block Grants, funding provided from the United States Department of Housing and Urban Development.

The fund balance of the Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Fund was \$26,585 at the end of the current fiscal year. During the current fiscal year, the fund increased by \$24,918 (Exhibit E). The key factor to this increase was that the principal payments received on loans was greater than the transfer of the loan payments to the Revolving Capital Fund, see below.

The fund balance of the Louisiana Economic Development Small Business Recovery Loan and Grant Phase II Fund was \$201,125 at the end of the current fiscal year. During the current fiscal year, the fund decreased by \$552,687 (Exhibit E). The key factor of this decrease was due to the transfer of loan payments to the Revolving Capital Fund, see below.

The fund balance of the Louisiana Economic Development Revolving Capital Fund was \$1,974,842 at the end of the current fiscal year. During the current fiscal year, the fund increased by \$1,659,666 (Exhibit E). The key factor of this increase was transfers from Phase I and Phase II funds, described above. The transfers in are made in anticipation of the eventual elimination of the Phase I and II loan programs.

Grant Fund:

The Commission maintains twenty-one individual grant programs. These programs are reimbursed by federal/state grants and expenditures that are not covered by the grants, are covered by transfers from the General Fund.

Proprietary Funds

The Commission's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Regional Building Code Fund at June 30, 2011 amounted to \$564,027 (Exhibit M). This fund is used to account for revenues and expenses associated with its operation and is self-supporting from other program revenues. This fund encompasses all assets associated with its operation. Investment in capital assets at the end of the current fiscal year totaled \$445,257 (Exhibit M). During the year ended June 30, 2011, the proprietary fund recognized an operating loss of \$301,393 due to a downturn of the economy of the Commission's area of service.

General Fund Budgetary Highlights

Budgets are presented to the Board of Commissioners and adopted as required by Louisiana Revised Statutes. As needed budget adjustments are made to account for any significant deviation from beginning year projections. The major difference between the original General Fund budget and the final amended budget for revenues and expenditures was for the increase in intergovernmental revenues and charges for services received and expenditures increased in other services and charges.

Capital Asset Administration

The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$1,829,131 (net of accumulated depreciation). This investment in

capital assets includes a buildings, furniture, fixtures, equipment and intangible assets as shown in Table A-3. This amount represents a net slight decrease of \$1,855 over last year.

Table A-3
Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	June 30,		June 30,		June 30,	
	2011	2010	2011	2010	2011	2010
Buildings	\$ 1,236,481	\$ 1,270,406			\$ 1,236,481	\$ 1,270,406
Furniture, equipment and fixtures	147,393	175,292	\$ 191,711	\$ 189,719	339,104	365,011
Intangibles	-	-	253,546	195,569	253,546	195,569
Totals	<u>\$ 1,383,874</u>	<u>\$ 1,445,698</u>	<u>\$ 445,257</u>	<u>\$ 385,288</u>	<u>\$ 1,829,131</u>	<u>\$ 1,830,986</u>

Additional information on the Commission's capital assets can be found in Note 5, Exhibit P of this report.

Economic Factors and Next Year's Budget and Rates

The Board of Commissioners and management considered many factors when setting the fiscal year 2012 budget. These factors include any unusual conditions, one time expenditures and increases in rates or fees that occurred during the 2011 fiscal year or that have already been announced for the 2012 fiscal year.

Governmental revenues for fiscal year 2012 are projected to be \$6,671,785, an increase of \$665,348 over the 2011 fiscal year revenues. The most significant change in revenue results from an increase in principal payments from the various loan programs. Budgeted expenditures are expected to increase to \$6,796,170, an increase of \$1,856,858 over the 2011 fiscal year expenditures. The most significant increase is due to contracted/professional services that are anticipated for several of the grant programs. The Commission's fund balance is budgeted with a decrease of \$124,385. However, as additional contracts are obtained, amendments will be executed during the year.

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. If you have any questions about this report or need additional financial information, contact South Central Planning and Development Commission, 5058 West Main Street, Houma, Louisiana 70360 or P.O. Box 1870, Gray, Louisiana 70359. General information relating to the Commission can be found at the Commission's website, scpdc.org.

STATEMENT OF NET ASSETS**South Central Planning & Development Commission, Inc.**

June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,839,216	\$ 275,974	\$ 4,115,190
Receivables			
Economic loans	5,846,779	-	5,846,779
Miscellaneous	14,739	-	14,739
Due from other governmental units	952,766	353,373	1,306,139
Internal balances	1,393	(1,393)	-
Prepaid insurance	26,835	9,988	36,823
Prepaid maintenance	-	1,772	1,772
Deposits	1,855	-	1,855
Capital assets -			
Depreciable, net of accumulated depreciation and amortization	1,383,874	445,257	1,829,131
Total assets	12,067,457	1,084,971	13,152,428
LIABILITIES			
Accounts payable and accrued expenses	683,825	45,174	728,999
Deferred revenue	36,151	-	36,151
Non-current liabilities -			
Due within one year	-	28,336	28,336
Due after one year	47,826	2,177	50,003
Total liabilities	767,802	75,687	843,489
NET ASSETS			
Invested in capital assets	1,383,874	445,257	1,829,131
Restricted for Economic Development			
Administration Revolving Loan Fund	1,682,213	-	1,682,213
Restricted for Louisiana Economic Development			
Small Business Recovery Loan and Grant Phase I Fund	729,607	-	729,607
Restricted for Louisiana Economic Development			
Small Business Recovery Loan and Grant Phase II Fund	3,098,435	-	3,098,435
Restricted for Louisiana Economic Development			
Revolving Capital Fund	3,002,364	-	3,002,364
Unrestricted	1,403,162	564,027	1,967,189
Total net assets	\$ 11,299,655	\$ 1,009,284	\$ 12,308,939

See notes to financial statements

STATEMENT OF ACTIVITIES

South Central Planning & Development Commission, Inc.

For the year ended June 30 2011

	Program Revenue			Net (Expense) Revenue and Change in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
Economic development and assistance	\$ 3,905,312	\$ 945,071	\$ 969,630	\$ 1,106,369	\$ (882,242)	\$ (882,242)
Business-type activities						
Economic development and assistance	1,494,303	1,192,810	-	225,737	-	\$ (75,636)
Totals	\$ 5,399,515	\$ 2,137,881	\$ 969,630	\$ 1,334,126	(882,242)	(75,636)
General revenues						
Dues assessment					132,533	132,533
Grants and contributions not restricted to specific programs					154,212	154,212
Unrestricted investment earnings					846	406
Miscellaneous					8,314	-
Total general revenues					295,005	406
Change in net assets					(586,337)	(75,230)
Net assets						
Beginning					11,885,992	1,084,514
Ending					\$ 11,299,655	\$ 1,009,284

See notes to financial statements

**FUND BALANCE SHEET -
GOVERNMENTAL FUNDS**

South Central Planning & Development Commission, Inc.

June 30, 2011

	General Fund	Economic Development Administration Revolving Loan Fund	Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Fund	Louisiana Economic Development Small Business Recovery Loan and Grant Phase II Fund	Louisiana Economic Development Revolving Capital Fund	Grant Fund	Total Governmental Funds
Assets							
Cash	\$ 1,145,551	\$ 504,412	\$ 26,585	\$ 201,125	\$ 1,861,543		\$ 3,839,216
Receivables:							
Economic loans	-	1,218,925	703,022	2,897,310	1,027,522		5,846,779
Miscellaneous	1,440	-	-	-	13,299		14,739
Due from other governmental units	952,766	-	-	-	-		952,766
Due from other funds	6,862	-	-	-	-		6,862
Prepaid insurance	26,835	-	-	-	-		26,835
Deposits	1,855	-	-	-	-		1,855
Total assets and other debts	\$ 2,135,309	\$ 1,723,337	\$ 729,607	\$ 3,098,435	\$ 3,002,364	\$ -	\$ 10,689,052
Liabilities							
Accounts payable and accrued expenditures	\$ 648,170	\$ 35,655					\$ 683,825
Due to other funds	-	5,469					5,469
Deferred revenue	36,151	1,218,925	703,022	2,897,310	1,027,522		5,882,930
Total liabilities	684,321	1,260,049	703,022	2,897,310	1,027,522	-	6,572,224
Fund Balances							
Nonspendable	26,835						26,835
Restricted		463,288	26,585	201,125	1,974,842		2,665,840
Assigned							
Building construction	70,000						70,000
Next year's budget deficit	573,459						573,459
Unassigned	780,694	-	-	-	-		780,694
Total fund balances	1,450,988	463,288	26,585	201,125	1,974,842	-	4,116,828
Total liabilities and fund balances	\$ 2,135,309	\$ 1,723,337	\$ 729,607	\$ 3,098,435	\$ 3,002,364	\$ -	\$ 10,689,052

See notes to financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

South Central Planning & Development Commission, Inc.

June 30, 2011

Fund Balances - Governmental Funds **\$ 4,116,828**

Amounts reported for governmental activities in the statement of net assets are different because.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 1,926,513	
Less accumulated depreciation	<u>(542,639)</u>	1,383,874

Deferred revenues, that represent future collections of loans receivable, are accounted for as increases in net assets in the government-wide financial statements.	5,846,779
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Non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated absences payable	<u>(47,826)</u>
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Net Assets of Governmental Activities	<u>\$ 11,299,655</u>
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See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

South Central Planning & Development Commission, Inc

For the year ended June 30, 2011

	General Fund	Louisiana Economic Development Small Business Recovery Adminstrative Revolving Loan Fund	Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Fund	Louisiana Economic Development Small Business Recovery Loan and Grant Phase II Fund	Louisiana Economic Development Revolving Capital Fund	Grant Fund	Total Governmental Funds
Revenues							
Intergovernmental	\$ 1,443,835					\$ 794,410	\$ 2,238,245
Charges for services	655,657					269,413	945,070
Interest earned	845	\$ 54,366			\$ 19,638	-	74,849
Miscellaneous	7,591	495,330	\$ 442,512	\$ 1,631,665	131,439	38,736	2,748,273
Total revenues	2,107,928	550,696	442,512	1,631,665	151,077	1,122,559	6,006,437
Expenditures							
Current							
Economic development and assistance:							
Personal services	913,575	-	-	-	-	648,629	1,562,204
Supplies and materials	55,848	-	-	-	-	19,036	74,884
Other services and charges	1,485,479	-	-	105,413	-	404,543	1,993,435
Loss disbursements	-	355,475	-	-	391,608	-	1,247,083
Repairs and maintenance	20,553	-	-	-	-	7,420	27,973
Capital expenditures	18,739	-	-	-	-	14,894	33,633
Total expenditures	2,492,194	355,475	-	105,413	891,608	1,094,622	4,939,312
Excess (deficiency) of revenues over expenditures	(384,266)	195,221	442,512	1,526,252	(740,531)	27,937	1,067,125
Other Financing Sources (Uses)							
Operating transfers in	229,205	-	-	-	2,496,533	75,391	2,801,129
Operating transfers out	(35,391)	(29,541)	(417,594)	(2,078,939)	(96,336)	(193,338)	(2,801,129)
Total other financing sources (uses)	193,814	(29,541)	(417,594)	(2,078,939)	2,400,197	(27,937)	-
Net Change in Fund Balances	(230,452)	165,680	24,918	(552,687)	1,659,666		1,067,125
Fund Balances							
Beginning of year	1,681,440	297,608	1,667	753,812	315,176	-	3,049,703
End of year	\$ 1,450,988	\$ 463,288	\$ 26,585	\$ 201,125	\$ 1,974,842	\$ -	\$ 4,116,828

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds **\$ 1,067,125**

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 33,733	
Depreciation expense	<u>(95,557)</u>	(61,824)

Loan transactions are reported as revenue and expenditures in the governmental funds. In the government-wide financial statements, these transactions are accounted for as increases/decreases in assets and liabilities

Revenue - loan collections	(2,687,462)	
Expenditures - loan disbursements	1,247,083	
Increase in allowance for uncollectibles	(135,675)	
Undistributed loans	<u>(34,817)</u>	(1,610,871)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

Decrease in compensated absences		<u>19,233</u>
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Change in Net Assets of Governmental Activities **\$ (586,337)**

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Budgetary</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Intergovernmental	\$ 738,275	\$ 1,155,033	\$ 1,443,835	\$ 288,802
Charges for services	621,375	696,350	655,657	(40,693)
Interest earned	1,500	1,000	845	(155)
Miscellaneous	11,800	11,800	7,591	(4,209)
Total revenues	1,372,950	1,864,183	2,107,928	243,745
Expenditures				
Current				
Economic development and assistance:				
Personal services	989,835	911,463	906,977	4,486
Supplies and materials	73,150	58,647	55,175	3,472
Other services and charges	1,028,915	1,356,022	1,054,957	301,065
Repairs and maintenance	29,412	21,408	20,553	855
Capital expenditures	25,000	22,879	18,739	4,140
Total expenditures	2,146,312	2,370,419	2,056,401	314,018
Excess (deficiency) of revenues over expenditures	(773,362)	(506,236)	51,527	557,763
Other Financing Sources (Uses)				
Operating transfers in	260,200	230,583	229,205	(1,378)
Operating transfers out	(31,015)	(65,155)	(75,391)	(10,236)
Total other financing sources	229,185	165,428	153,814	(11,614)
Net Change in Fund Balance	(544,177)	(340,808)	205,341	546,149
Fund Balance				
Beginning of year	1,681,440	1,527,381	1,527,381	-
End of year	\$ 1,137,263	\$ 1,186,573	\$ 1,732,722	\$ 546,149

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING LOAN FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest earned	\$ 42,600	\$ 55,700	\$ 54,366	\$ (1,334)
Loan principle	275,000	450,000	492,281	42,281
Administration fees	<u>5,000</u>	<u>4,055</u>	<u>4,049</u>	<u>(6)</u>
Total revenues	322,600	509,755	550,696	40,941
Expenditures				
Current				
Economic development and assistance				
Loan disbursements	<u>500,000</u>	<u>355,475</u>	<u>355,475</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(177,400)	154,280	195,221	40,941
Other Financing Uses				
Operating transfers out	<u>(23,800)</u>	<u>(29,878)</u>	<u>(29,541)</u>	<u>337</u>
Net Change in Fund Balance	(201,200)	124,402	165,680	41,278
Fund Balance				
Beginning of year	<u>297,608</u>	<u>463,288</u>	<u>463,288</u>	<u>-</u>
End of year	<u>\$ 96,408</u>	<u>\$ 587,690</u>	<u>\$ 628,968</u>	<u>\$ 41,278</u>

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOUISIANA ECONOMIC DEVELOPMENT SMALL BUSINESS
RECOVERY LOAN AND GRANT PHASE I FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures			\$ 26	\$ 26
Loan principle	\$ 167,500	\$ 434,000	442,486	8,486
Total revenues	167,500	434,000	442,512	8,512
Other Financing Uses				
Operating transfers out	(513,500)	(435,667)	(417,594)	18,073
Net Change in Fund Balance	(346,000)	(1,667)	24,918	26,585
Fund Balance				
Beginning of year	346,000	1,667	1,667	-
End of year	\$ -	\$ -	\$ 26,585	\$ 26,585

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOUISIANA ECONOMIC DEVELOPMENT SMALL BUSINESS
RECOVERY LOAN AND GRANT PHASE II FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures			\$ 127	\$ 127
Loan principle	\$ 450,000	\$ 1,500,000	1,631,538	131,538
Total revenues	450,000	1,500,000	1,631,665	131,665
Expenditures				
Current:				
Economic development and assistance			105,413	(13)
Other services and charges	-	105,400		
Excess of revenues over expenditures	450,000	1,394,600	1,526,252	131,652
Other Financing Uses				
Operating transfers out	(1,160,000)	(2,148,412)	(2,078,939)	69,473
Net Change in Fund Balance	(710,000)	(753,812)	(552,687)	201,125
Fund Balance				
Beginning of year	710,000	753,812	753,812	-
End of year	\$ -	\$ -	\$ 201,125	\$ 201,125

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOUISIANA ECONOMIC DEVELOPMENT REVOLVING CAPITAL FUNDS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest earned	\$ 20,500	\$ 19,800	\$ 19,638	\$ (162)
Loan principle	60,000	125,000	121,157	(3,843)
Administration fees	16,735	10,000	10,282	282
Total revenues	<u>97,235</u>	<u>154,800</u>	<u>151,077</u>	<u>(3,723)</u>
Expenditures				
Current				
Economic development and assistance				
Loan disbursements	<u>1,673,500</u>	<u>1,000,000</u>	<u>891,608</u>	<u>108,392</u>
Deficiency of revenues over expenditures	<u>(1,576,265)</u>	<u>(845,200)</u>	<u>(740,531)</u>	<u>104,669</u>
Other Financing Sources (Uses)				
Operating transfer in	1,673,500	2,584,079	2,496,533	(87,546)
Operating transfer out	-	(95,000)	(96,336)	(1,336)
Total other financing sources	<u>1,673,500</u>	<u>2,489,079</u>	<u>2,400,197</u>	<u>(88,882)</u>
Net Change in Fund Balance	<u>\$ 97,235</u>	<u>\$ 1,643,879</u>	<u>\$ 1,659,666</u>	<u>\$ 15,787</u>

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANT FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,036,527	\$ 1,060,519	\$ 794,410	\$ (266,109)
Charges for services	954,000	301,798	289,413	(12,385)
Interest earned	25	-	-	-
Miscellaneous	23,500	25,000	38,736	13,736
Total revenues	2,014,052	1,387,317	1,122,559	(264,758)
Expenditures				
Current				
Economic development and assistance				
Personal services	835,665	654,537	648,629	5,908
Supplies and materials	22,900	20,618	19,036	1,582
Other services and charges	934,102	346,610	404,543	(57,933)
Repairs and maintenance	2,000	7,000	7,420	(420)
Loan Disbursements	-	300,000	-	300,000
Capital expenditures	14,000	18,000	14,994	3,006
Total expenditures	1,808,667	1,346,765	1,094,622	252,143
Excess of revenues over expenditures	205,385	40,552	27,937	(12,615)
Other Financing Sources (Uses)				
Operating transfers in	31,015	68,044	75,391	7,347
Operating transfers out	(236,400)	(105,705)	(103,328)	2,377
Total other financing sources	(205,385)	(37,661)	(27,937)	9,724
Net Change in Fund Balance	\$ -	\$ 2,891	\$ -	\$ (2,891)

See notes to financial statements

STATEMENT OF NET ASSETS
PROPRIETARY FUND

South Central Planning & Development Commission, Inc.

June 30, 2011

	<u>Business-type Activities - Enterprise Fund</u>
ASSETS	
Current	
Cash and cash equivalents	\$ 275,974
Due from other governmental units	353,373
Prepaid insurance	9,988
Prepaid maintenance	<u>1,772</u>
Total current assets	<u>641,107</u>
Equipment	514,553
Less accumulated depreciation	<u>(322,842)</u>
Net equipment	<u>191,711</u>
Intangible assets	342,197
Less accumulated amortization	<u>(88,651)</u>
Net intangible assets	<u>253,546</u>
Total assets	<u>1,086,364</u>
LIABILITIES	
Current	
Accounts payable and accrued expenses	45,174
Due to other funds	1,393
Compensated absences payable	<u>28,336</u>
Total payable from current assets	74,903
Noncurrent	
Compensated absences payable	<u>2,177</u>
Total liabilities	<u>77,080</u>
NET ASSETS	
Invested in capital assets	445,257
Unrestricted	<u>564,027</u>
Total net assets	<u>\$ 1,009,284</u>

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	Business-type Activities - Enterprise Fund
Operating Revenues	
Charges for services	<u>\$ 1,192,810</u>
Operating Expenses	
Personal services	1,129,837
Supplies and materials	80,546
Other services and charges	138,214
Repairs and maintenance	13,411
Depreciation expense	<u>132,195</u>
Total operating expenses	<u>1,494,203</u>
Operating loss	(301,393)
Nonoperating Revenues	
Investment income	406
Intergovernmental	<u>225,757</u>
Total nonoperating revenues	<u>226,163</u>
Change in Net Assets	(75,230)
Net Assets	
Beginning of year	<u>1,084,514</u>
End of year	<u><u>\$ 1,009,284</u></u>

See notes to financial statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	<u>Business-type Activities - Enterprise Fund</u>
Cash Flow from Operating Activities	
Cash received from customers and users	\$ 1,151,398
Cash payments to suppliers	(216,507)
Cash payments to employees for services and benefits	<u>(1,099,324)</u>
Net cash used for operating activities	(164,433)
Cash Flow from Noncapital Financing Activities	
Intergovernmental proceeds	225,757
Cash Flow used in Capital Activities	
Acquisition and construction of capital assets	(192,164)
Cash Flow from Investing Activities	
Investment income	<u>406</u>
Net Decrease in Cash and Cash Equivalents	(130,434)
Cash and Cash Equivalents	
Beginning of year	<u>406,408</u>
End of year	<u><u>\$ 275,974</u></u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	<u>\$ (301,393)</u>
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	132,195
(Increase) decrease in assets	
Due from other governmental units	(41,412)
Other asset	3,715
Increase in liabilities	
Accounts payable and accrued expenses	10,556
Compensated absences	30,513
Due to other funds	<u>1,393</u>
Total adjustments	<u>136,960</u>
Net cash used for operating activities	<u><u>\$ (164,433)</u></u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

South Central Planning & Development Commission, Inc.

June 30, 2011

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the South Central Planning & Development Commission, Inc. (the Commission) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to special districts as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard setting body for establishing governmental accounting and financial reporting principles. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Commission the option of electing to apply FASB pronouncements issued after November 30, 1989. The Commission has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. The more significant of the government's accounting policies are described below

a) Reporting Entity

The Commission was created under enabling legislation of the State of Louisiana and incorporated under the provisions of Louisiana Revised Statutes 12:201 et. seq., as amended in 1968; provided, however, that its activities shall be consistent with the powers, duties, rights and liabilities as may be deemed necessary or proper to accomplish the purposes of a regional planning or an economic development district and are for charitable, educational and scientific research purposes.

The Commission although governed by a Board of Commissioners who are directly appointed by the governing bodies of the municipalities and parishes, of which it serves, is considered a separate governmental entity because it is substantially autonomous. The Commission has no component units and the basic financial statements include all the fund types of the entity.

b) Basis of Presentation

The Commission's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the Commission and the governmental and proprietary fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

The Commission's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the Commission and the governmental and proprietary fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Commission. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs, which normally are financed through intergovernmental revenues and other nonexchange revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Dues and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on the major funds in either the governmental or business-type categories.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

The daily accounts and operations of the Commission continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Commission are grouped, into generic fund types and two broad fund categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special revenue funds reported as major funds in the fund financial statements are as follows:

Economic Development Administration Revolving Loan Fund - accounts for receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) to operate a revolving loan program.

Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Fund - accounts for receipts and uses of Phase I of Louisiana Department of Economic Development grant funds for the disbursement of Community Development Block Grants provided by the United States Department of Housing and Urban Development.

Louisiana Economic Development Small Business Recovery Loan and Grant Phase II Fund - accounts for receipts and uses of Phase II of Louisiana Department of Economic Development grant funds for the disbursement of Community Development Block Grants provided by the United States Department of Housing and Urban Development.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Louisiana Economic Development Revolving Capital Fund – accounts for receipts and uses of Louisiana Department of Economic Development grant funds for the disbursement of Community Development Block Grants provided by United States Department of Housing and Urban Development

Grant Fund – accounts for the receipts and disbursements of Federal and State grant program services performed

Proprietary Funds:

Enterprise Funds – are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements, the enterprise fund reported as a major fund in the fund financial statements is as follows:

Regional Building Code Fund – accounts for providing construction plan approval and inspection services to the residents of the municipalities and parishes of which it serves. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing and collection.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise fund include the cost of services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

c) Basis of Accounting and Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Member assessments are recognized as revenues in the period for which they are assessed. Grant and contract revenues are recognized when earned since they are measurable and available. Interest earned and other miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates.

e) Budgets and Budgetary Accounting

The Commission, under the terms of its charter, adopts an annual budget. This budget is for the General Fund and special revenue funds. Special revenue funds, which at June 30, 2011 consisted of various government and government agency projects, are budgeted on a project by project basis as funding becomes available. The General Fund and special revenue funds budgets were amended during the year to reflect changes in budgeted revenues, expenditures and operating transfers as dictated by the circumstances.

Budgets for carryover grants and projects, which are to be performed over more than one accounting period, are reflected only to the extent they affect the current period being reported on. Budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

Major funds are included in the budget presentations in the basic financial statements. The budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America (GAAP), except for operating expenditures of the General Fund, which are budgeted when paid. The budgetary basis differs from GAAP in that expenditures are recognized when paid as opposed to when the liability is incurred under GAAP. A reconciliation of the actual expenditures to budgetary basis expenditures of the General Fund follows:

Actual expenditures at June 30, 2011,	
GAAP basis	\$ 2,492,194
Add: General Fund expenditures in accounts Payable at the beginning of the year	180,385
Less: General Fund expenditures in accounts payable at the end of the year	<u>(616,178)</u>
Budgetary basis expenditures for fiscal year ended June 30, 2011	<u>\$ 2,056,401</u>

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Cash, Cash Equivalents and Investments

Cash includes amounts in regular and money market accounts.

For purposes of the statement of cash flows, cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased.

g) Accounts Receivable

The financial statements of the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for member assessments, contract revenues and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Miscellaneous accounts receivable and amounts due from other governments in excess of 60 days comprise the accounts receivable allowance for uncollectibles. These amounts are not considered to be material in relation to the financial position or operations of the funds of the Commission.

Economic loans are shown net of an allowance for loan losses. Additions to the allowance for loan losses are recognized as expenses in the government activities financial statements at the time information becomes available which would indicate the loan is less than fully collectible. As of June 30, 2011, the loan loss reserve amounted to \$330,000. Loan loss reserves are deducted from deferred revenue in the fund financial statements. For the year ended June 30, 2011, the Commission recognized \$135,675 of expenses for estimated loan losses in governmental activities. For purposes of the fund financial statements the change in allowance for loan loss is offset by an equal change in deferred revenues.

h) Deferred Revenue

In the governmental funds, the Commission accounts for its loan programs in the operating accounts of special revenue funds, Economic Development Administration Revolving Loan Fund, Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Fund, Louisiana Economic Development Small Business Recovery Loan and Grant Phase II Fund and Louisiana Economic Development Revolving Capital Fund. In the governmental funds the receipt of loan grants and subsequent loan collections are recognized as miscellaneous revenue and loan disbursements to beneficiaries of the programs are accounted for as expenditures. The asset "economic loans receivable" is offset on the Fund Balance Sheet - Governmental Funds by "deferred revenue." In the government-wide financial statements, loan disbursements to beneficiaries and subsequent loan collections are

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Deferred Revenue (Continued)

accounted for as increases/decreases in the asset "economic loans receivable" While the receipt loan grant proceeds is accounted for as intergovernmental revenue. Grant contributions for future periods received during the current year are reported as deferred revenues within the governmental activities and governmental funds. Grant contributions are considered revenues of the period in which grant requirements are met.

i) Capital Assets

Capital assets, which include buildings, furniture, fixtures and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets purchased or acquired with an original cost of \$1,000 or more. Such assets are recorded at historical costs or estimated historical cost if actual is unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets also include the historical cost of intangible assets. At June 30, 2011 the Commission's intangible assets consist of computer software costs purchased and internally generated. For purposes of identifying capitalizable computer software costs, the Commission has classified activities into (1) preliminary stage, (2) application development stage, and (3) post-implementation/operation stage. Costs incurred during the application development stage are capitalized, while costs incurred during preliminary and post-implantation/operational the stages are expensed as incurred.

Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Furniture, fixtures and equipment	4 – 25 years
Intangibles – computer software	10 years

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The non-current liabilities consist of accumulated annual leave.

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the governmental fund financial statements. In the proprietary fund financial statements non-current liabilities are reported as liabilities.

k) Compensated Absences

The Commission's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as a non-current liability in the government-wide statements and the proprietary fund types fund statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

All full-time, permanent employees of the Commission receive two weeks of vacation which accrues at a rate of 3.08 hours per pay period beginning with the first day of full-time, permanent employment. After five years of service employees will receive three weeks of vacation at a rate of 4.62 hours per pay period, and will receive an additional day of vacation per year of service after ten years of continuous employment. Vacation cannot be used for the first three months of full-time, permanent employment. Employees may carry over a maximum of one hundred hours of vacation from one fiscal year to another. Any time in excess of one hundred hours must be approved by the Chief Executive Officer before the end of the fiscal year or will be lost without compensation. Vacation is paid when an employee terminates service with the Commission.

All full-time, permanent employees of the Commission earn sick leave at the rate of one day per month or 3.69 hours per pay period. No limits on this accrual privilege have been established. Sick leave can be accumulated but does not vest and, therefore, a provision has not been made for sick leave.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. **Invested in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. At June 30, 2011 the Commission had no outstanding borrowings.
- b. **Restricted net assets** – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- c. **Unrestricted net assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. **Non-spendable** – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. **Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. **Committed** – amounts that can be used only for specific purposes determined by a formal action of the Commission’s Board of Directors. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Commission’s Board of Directors.
- d. **Assigned** – amounts that do not meet the criteria to be classified as either restricted or committed but that are intended to be used for specific purposes.
- e. **Unassigned** – all other spendable amounts

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Fund Equity (Continued)

For the classification of Governmental Fund balances, the Commission considers an expenditure to be made from the most restrictive first when more than one classification is available. The Commission's fund balance was classified as nonspendable, restrictive, assigned and unassigned as of June 30, 2011.

m) Interfund Transactions

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

n) Indirect Cost Plan

The Commission maintains an indirect cost plan for the allocation of costs that are incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited through June 30, 2011. These indirect costs are allocated based on direct salaries incurred by each fund benefiting from the indirect costs.

o) New GASB Statements

During the year ending June 30, 2011, the Commission implemented the following GASB Statement:

Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions."* The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications there can be more consistently applied and by clarifying the existing governmental fund type definitions.

Note 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*." The objective of this Statement is to address issues related to the use of the alternative measurement method and frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement is effective for frequency and timing of measurements in 2012, while reporting of the alternative measurement plan was effective in 2010. As described in Note 9, the Association participates in a Cash or Deferred Profit-Sharing Plan, which is not an agent employer or agent multiple employer plan; accordingly, this Statement is not currently applicable to the Association's financial statements

Statement No. 60, "*Accounting and Financial Reporting for Service Concession Arrangements*." The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, a SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011. The Association is not participating in a SCA, and therefore this Statement is not currently applicable to the Association's financial statements.

Statement 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", this Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. GASB Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. This Statement amends the net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position rather than net assets. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 4,299,450	\$ 4,115,090

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of June 30, 2011, \$3,969,034 of the Commission's bank balance of \$4,299,450 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Commission's name.

At June 30, 2011, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 2 - DEPOSITS (Continued)

A reconciliation of deposits as shown on the Statement of Net Assets and Governmental Fund Balance Sheet is as follows:

Cash on hand	\$ 100
Carrying amount of deposits	<u>4,115,090</u>
Total cash	<u>\$4,115,190</u>

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2011 consisted of the following:

	<u>Amount</u>
Governmental Activities:	
U.S. Environmental Protection Agency	\$ 57,254
U.S. Department of Transportation	313
U.S. Economic Development Administration	48,180
Federal Transit Administration	28,038
Louisiana Department of Economic Development	4,440
Louisiana Department of Culture, Recreation and Tourism	2,023
Louisiana Department of Homeland Security and Emergency Preparedness	438,840
Louisiana Department of Transportation and Development	39,991
Louisiana Wildlife and Fisheries	5,493
Louisiana Highway Safety Commission	65,682
Louisiana Association of Planning Development Districts	14,000
Lafourche Parish Communications District	2,000
Lafourche Parish Council	15,453
Assumption Parish Police Jury	105,213
St. Bernard Parish Council	810
St. Charles Parish Council	15,973
St. John the Baptist Parish Council	33,034
St. James Parish Council	22,973
St. Mary Parish Council	170
Terrebonne Parish Consolidated Government	13,445
City of Alexandria	1,133
City of Thibodaux	3,440
City of Lake Charles	3,167
City of West Lake	229
Town of Lockport	1,901
Town of Golden Meadow	1,071
Town of Gramercy	3,000
Town of St. Francisville	150
Consolidated Waterworks District No. 1	<u>25,350</u>
Total governmental activities	<u>\$ 952,766</u>

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS (Continued)

Amount earned under various governmental projects included in due from other governmental units includes \$567,892 of unbilled services at June 30, 2011.

	<u>Amount</u>
Business-type Activities:	
Louisiana Office of Homeland Security and Emergency	
Preparedness	\$ 226,189
Assumption Parish Police Jury	3,719
Town of Gramercy	8,679
Town of Lockport	1,108
St. Charles	36,957
St James Parish Council	71,571
St John the Baptist Parish Council	<u>5,150</u>
Total business-type activities	<u>\$ 353,373</u>

Amounts earned under Louisiana Office of Homeland Security and Emergency Preparedness of \$147,221 were unbilled services at June 30, 2011.

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables consist of the following at June 30, 2011:

<u>Individual Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 6,862	
Special Revenue Fund:		
Economic Development Administration		
Revolving Loan Fund		\$ 5,469
Enterprise Fund		<u>1,393</u>
Total	<u>\$ 6,862</u>	<u>\$ 6,862</u>

The balances above resulted from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Balance June 30, 2011
Governmental Activities:			
Capital assets being depreciated			
Buildings	\$ 1,408,933		\$ 1,408,933
Furniture, fixtures and equipment	483,847	\$ 33,733	517,580
Total capital assets being depreciated	1,892,780	33,733	1,926,513
Less accumulated depreciation for			
Buildings	(138,527)	(33,925)	(172,452)
Furniture, fixtures and equipment	(308,555)	(61,632)	(370,187)
Total accumulated depreciation	(447,082)	(95,557)	(542,639)
Total governmental activities capital assets, net	\$ 1,445,698	\$ (61,824)	\$ 1,383,874
	Balance July 1, 2010	Additions	Balance June 30, 2011
Business-type Activities:			
Capital assets being depreciated and amortized:			
Furniture, fixtures and equipment	\$ 414,586	\$ 99,967	\$ 514,553
Intangibles	250,000	92,197	342,197
Total capital assets being depreciated	664,586	192,164	856,750
Less accumulated depreciation and amortization:			
Furniture, fixtures and equipment	(224,867)	(97,975)	(322,842)
Intangibles	(54,431)	(34,220)	(88,651)
Total accumulated depreciation	(279,298)	(132,195)	(411,493)
Total business-type activities capital assets, net	\$ 385,288	\$ 59,969	\$ 445,257

During 2011 the Commission recognized \$227,752 of depreciation expense and reported depreciation expense as economic development and assistance as follows:

Government activities	\$ 95,557
Business activities	132,195
Total	<u>\$ 227,752</u>

Exhibit P
(Continued)

Note 6 - ACCOUNTS PAYABLE

At June 30, 2011, the Commission had accounts payable reported in the Governmental Activities of \$683,825 and \$45,174 in Business Activities. The General Fund pays all governmental fund expenditures therefore the table below also reports the funds incurring these charges.

	Personal Services	Supplies and Materials	Other Services and Charges	Total
Governmental activities:				
General Fund	\$ 52,257	\$ 1,548	\$ 562,373	\$ 616,178
Grant Funds	-	-	31,992	31,992
Economic Development Administration Revolving Loan Fund	-	-	35,655	35,655
Total governmental activities	52,257	1,548	630,020	683,825
Business-type activities:				
Enterprise Fund	36,658	-	8,516	45,174
Totals	<u>\$ 88,915</u>	<u>\$ 1,548</u>	<u>\$ 638,536</u>	<u>\$ 728,999</u>

Note 7 - NON-CURRENT LIABILITIES

Non-current liabilities at June 30, 2011 consisted of accumulated annual leave (vacation pay) amounts vested with employees. The following is a summary of changes in the non-current liabilities of the Commission for the year ended June 30, 2011:

	Governmental Activities	Business-type Activities	Total
Long-term obligations, July 1, 2010	\$ 67,059		\$ 67,059
Net increase (decrease) in accumulated unpaid annual leave	(19,233)	\$ 30,513	11,280
Long-term obligations, July 1, 2011	<u>\$ 47,826</u>	<u>\$ 30,513</u>	<u>\$ 78,339</u>

Funding of accumulated annual leave is to be provided from revenues of various funds at the time paid.

Exhibit P
(Continued)

Note 8 - DEFERRED REVENUES

Deferred revenues are reported in the General Fund, Economic Development Administration Revolving Loan Fund (RLF), the Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Fund (LED I), the Louisiana Economic Development Small Business Recovery Loan and Grant Phase II Fund (LED II) and the Louisiana Economic Development Revolving Capital Fund (LED Capital) at June 30, 2011. For the year ended June 30, 2011, the governmental fund type deferred revenue activity consisted of the following:

	General Fund	RLF	LED I	LED II	LED Capital Fund	Totals
Balance July 1, 2010	\$ 12,068	\$ 1,264,879	\$ 1,348,671	\$ 4,587,029	\$ 257,071	\$ 7,469,718
New loans	-	355,475	-	-	891,608	1,247,083
Advances on governmental grants and contracts	1,312,551	-	-	-	-	1,312,551
Expenditures of governmental grants	(1,288,468)	-	-	-	-	(1,288,468)
Revenue loan collections	-	(492,281)	(442,486)	(1,631,538)	(121,157)	(2,687,462)
Undistributed loan	-	(34,817)	-	-	-	(34,817)
Increase (decrease) in allowance for loan losses	-	125,669	(203,163)	(58,181)	-	(135,675)
Balance June 30, 2011	<u>\$ 36,151</u>	<u>\$ 1,218,925</u>	<u>\$ 703,022</u>	<u>\$ 2,897,310</u>	<u>\$ 1,027,522</u>	<u>\$ 5,882,930</u>

Exhibit P
(Continued)

Note 9 - RECONCILIATION OF TRANSFERS

A reconciliation of operating transfers for the year ended June 30, 2011 is as follows:

	Transfers In	Transfers Out
General Fund		
Louisiana Economic Development		
Small Firm Revolving Capital Fund	\$ 96,336	
Economic Development Administration		
Revolving Loan Fund	29,541	
Grant Fund	103,328	\$ 75,391
Total	<u>229,205</u>	<u>75,391</u>
Economic Development Administration		
Revolving Loan Fund		
General Fund		<u>29,541</u>
Louisiana Economic Development		
Small Business Recovery		
Loan and Grant Phase I Fund		
Louisiana Economic Development		
Small Firm Revolving Capital Fund		<u>417,594</u>
Louisiana Economic Development		
Small Business Recovery		
Loan and Grant Phase II Fund		
Louisiana Economic Development		<u>2,078,939</u>
Small Firm Revolving Capital Fund		
Louisiana Economic Development		
Small Firm Revolving Capital Fund		
General Fund		<u>96,336</u>
Louisiana Economic Development		
Small Business Recovery		
Loan and Grant Phase I Fund	417,594	
Louisiana Economic Development		
Small Business Recovery		
Loan and Grant Phase II Fund	<u>2,078,939</u>	
Total	<u>2,496,533</u>	
Grant Fund		
General Fund	<u>75,391</u>	<u>103,328</u>
Grand Total	<u>\$ 2,801,129</u>	<u>\$ 2,801,129</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 10 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 11 - COMMITMENTS AND CONTINGENCIES

The Commission received funding under grants from various federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

Audits of compliance with grant requirements of the Louisiana Economic Development Small Business Recovery Loan and Grant Program for the years ended June 30, 2010, 2009 and 2008 found the Commission did not comply with grant requirements. The known questioned costs of \$522,000, \$45,900 and \$306,352, respectively, arose because grant disbursements and collections were not administered in accordance with the grant documents. It is unknown at this time if the Commission will be responsible for repayment of any grant disbursements.

Note 12 - EMPLOYEE RETIREMENT SYSTEMS

Employees of the Commission are members of the Municipal Employees' Retirement System of Louisiana.

a) Municipal Employees' Retirement System of Louisiana

Plan Description – The Commission contributes to Plan B of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit pension plan, which is controlled and administered by a separate Board of Trustees. The system provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. Act 569 of the 1968 Louisiana Legislative Session provided an optional method for municipalities to cancel Social Security and come under supplementary benefits in the System, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System.

The report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Note 12 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funding Policy – Plan members are required to contribute 5.00% of their earnable compensation and the Commission is required to contribute at an actuarially determined rate. The current rate is 6.75%. The contribution requirements of plan members and the Commission are established and may be amended by state statute. The Commission entered the plan April 2, 2007. The Commission's contributions to the System for the periods ending June 30, 2011, 2010 and 2009 were \$129,090, \$120,215, and \$108,465 respectively, equal to the required contributions for the periods

Note 13 - COMPENSATION OF COMMISSIONERS

Commissioners for South Central Planning & Development Commission, Inc. received no compensation during the year ended June 30, 2011.

Note 14 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 27, 2011 which is the date the financial statements were available to be issued

SUPPLEMENTARY INFORMATION SECTION

GRANT FUND PROGRAMS

Economic Development Administration Grant Program - To account for receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) which are restricted to uses as specified in the grant documents.

Louisiana Department of Culture, Recreation, and Tourism Grant Program - To account for receipts and uses of grant funds received from the Louisiana Department of Culture, Recreation and Tourism which are restricted to uses as specified in the grant documents.

Louisiana Wildlife and Fisheries Gustav/Ike Economic Disaster Relief - To account for receipts and uses of grant funds received from the State of Louisiana Department of Wildlife and Fisheries which are restricted to uses specified in the grant documents.

Louisiana Highway Safety Commission Safe Community Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana, Department of Public Safety and Corrections which are restricted to those uses as specified in the contract documents

MPO Transit Planning Services Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development Public Transportation Section, which are restricted to uses as specified in the contract documents.

MPO Highway Services Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development, which are restricted to uses as specified in the contract documents

EPA Brownsfield Petroleum Assessment Grant Program - To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

EPA Brownsfield Revolving Loan Grant Program – To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

EPA Brownsfield Petroleum Assessment Part Two Grant Program– To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

EPA Brownsfield Hazardous Site Assessment Grant Program -To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

EPA Brownsfield Hazardous Site Assessment Part Two Grant Program- To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

GRANT FUND PROGRAMS

(continued)

Louisiana Wildlife and Fisheries Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana Department of Wildlife and Fisheries which are restricted to uses specified in the grant documents.

Delta Regional Authority Grant Program – To account for receipts and uses of grant funds received from Delta Regional Authority.

River Region Transportation Master Plan Grant Program – To account for receipts and uses of federal funds passed through by the State of Louisiana, Department of Transportation and Development which are restricted to uses as specified in the vendor contract documents.

EPA River Region Waste Water Grant Program – To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to those uses as specified in the contract documents.

EPA Clean Water Action Plan – To account for receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses as specified in the grant documents

Louisiana Wildlife and Fisheries Disaster Relief Grant Program - To account for receipts and uses of grant funds received from the State of Louisiana Department of Wildlife and Fisheries which are restricted to uses specified in the grant documents.

Louisiana Wildlife and Fisheries Shrimp Refrigeration Grant Program – To account for receipts and uses of grant funds received from the State of Louisiana Department of Wildlife and Fisheries which are restricted to uses specified in the grant documents.

New Freedom Program- To account for receipts and uses of grant funds received from the United States Department of Transportation Federal Transit Administration which are restricted to uses specified in the grant documents.

Federal Transit Administration - To account for receipts and uses of grant funds received from the United States Department of Transportation Federal Transit Administration which are restricted to uses specified in the grant documents.

Louisiana Economic Development Innovation Program- To account for receipts and uses of Louisiana Department of Economic Development grant funds which is provided from the United States Department of Housing and Urban Development, funds are restricted to uses specified in the grant documents.

**COMBINING STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GRANT FUND PROGRAMS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	Economic Development Administration Grant Program	Louisiana Department of Culture, Recreation and Tourism Grant Program	Louisiana Wildlife & Fisheries Gustav/Ida Economic Disaster Relief Grant Program	Louisiana Highway Safety Commission Safe Community Grant Program	MPO Transit Planning Services Grant Program
Revenues					
Intergovernmental	\$ 144,213	\$ 15,000		\$ 111,545	\$ 49,550
Charges for services	-	-	\$ 283,301	-	-
Interest earned	-	-	-	-	-
Miscellaneous	-	15,000	-	10,233	-
Total revenues	<u>144,213</u>	<u>30,000</u>	<u>283,301</u>	<u>121,778</u>	<u>49,550</u>
Expenditures					
Current					
Economic development and assistance					
Personal services	163,639	-	114,421	35,710	43,440
Supplies and materials	1,649	2,688	865	804	2,191
Other services and charges	34,078	27,312	64,316	87,299	5,287
Repairs and maintenance	-	-	480	-	-
Capital expenditures	-	-	-	-	-
Total expenditures	<u>199,366</u>	<u>30,000</u>	<u>180,082</u>	<u>123,813</u>	<u>50,918</u>
Excess (deficiency) of revenues over expenditures	<u>(55,153)</u>	<u>-</u>	<u>103,219</u>	<u>(2,035)</u>	<u>(1,368)</u>
Other Financing Sources (Uses)					
Operating transfers in	55,153		-	2,035	1,368
Operating transfers out	-		(103,219)	-	-
Total other financing sources (uses)	<u>55,153</u>		<u>(103,219)</u>	<u>2,035</u>	<u>1,368</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MPO Highway Services Omnit Program	EPA Brownfield Petroleum Assessment Grant Program	EPA Brownfield Revolving Loan Grant Program	EPA Brownfield Petroleum Assessment Part Two Grant Program	EPA Brownfield Hazardous Site Assessment Grant Program	EPA Brownfield Hazardous Site Assessment Part Two Grant Program	Louisiana Wildlife & Fisheries Grant Program	Delta Regional Authority Grant Program	River Region Transportation Master Plan Grant Program
\$ 255,280	\$ 16,197	\$ 74,820	\$ 671	\$ 1,340	\$ 717	\$ 619	\$ 10,000	
-	-	-	-	-	-	-	-	
-	-	13,503	-	-	-	-	-	
255,280	16,197	88,323	671	1,340	717	619	10,000	
191,162	1,617	27,864	390	1,899	436	1,094	11,301	
9,096	28	442	-	109	-	46	327	
33,989	15,892	60,082	281	1,128	281	420	1,619	\$ 219
6,940	-	-	-	-	-	-	-	-
14,994	-	-	-	-	-	-	-	-
236,181	17,537	88,388	671	3,136	717	1,560	13,247	219
(901)	(1,340)	(65)	-	(1,796)	-	(941)	(3,247)	(219)
901	1,340	65	-	1,796	-	941	3,247	219
-	-	-	-	-	-	-	-	-
901	1,340	65	-	1,796	-	941	3,247	219
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**COMBINING STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GRANT FUND PROGRAMS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

	EPA River Region Waste Water Grant Program	EPA Clean Water Action Plan	Louisiana Wildlife and Fisheries Disaster Relief Grant Program	Louisiana Wildlife and Fisheries Shrimp Refrigeration Grant Program	New Freedom Program	Federal Transit Administration	LED Innovation Program	Total
Revenues								
Intergovernmental	\$ 30,225	\$ 10,790			\$ 36,650	\$ 12,972	\$ 4,440	\$ 794,410
Charges for services	-	-		\$ 5,493	-	-	-	289,413
Interest earned	-	-		-	-	-	-	-
Miscellaneous	-	-		-	-	-	-	38,736
Total revenues	<u>30,225</u>	<u>10,790</u>		<u>5,493</u>	<u>36,650</u>	<u>12,972</u>	<u>4,440</u>	<u>1,123,550</u>
Expenditures								
Current								
Economic development and assistance,								
Personal services	1,807	3,320		4,180	33,924	5,765	6,651	648,629
Supplies and materials	93	7		351	21	-	319	19,036
Other services and charges	48,325	7,463	\$ 5,796	844	2,705	7,207	-	404,543
Repairs and maintenance	-	-		-	-	-	-	7,420
Capital expenditures	-	-	-	-	-	-	-	14,994
Total expenditures	<u>50,225</u>	<u>10,790</u>	<u>5,796</u>	<u>5,384</u>	<u>36,650</u>	<u>12,972</u>	<u>6,970</u>	<u>1,094,622</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(5,796)</u>	<u>109</u>	<u>-</u>	<u>-</u>	<u>(2,530)</u>	<u>27,937</u>
Other Financing Sources (Uses)								
Operating transfers in			\$ 796	-			2,530	75,391
Operating transfers out			-	(109)			-	(103,328)
Total other financing sources (uses)			<u>796</u>	<u>(109)</u>			<u>2,530</u>	<u>(27,937)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of South Central Planning & Development Commission, Inc., (the Commission), as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to management of the Commission in a separate letter dated December 27, 2011.

The Commission's response to the other matters identified in our separate letter is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.
Certified Public Accountants.

Houma, Louisiana,
December 27, 2011.

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of South Central Planning & Development Commission, Inc., (the Commission), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weakness. We did not identify any deficiencies in internal control over compliance that we consider to be a material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 27, 2011.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Federal Grantor/Pass- Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Commerce			
Economic Development Administration			
Support for Planning Organizations	11 303	08-06-04611	\$ 37,033
	11 303	08-83-04530	107,180
Sudden and Severe Economic Dislocation Adjustment Revolving Loan Fund	11 307	08-59-02912 01	2 177 010
Total Department of Commerce			2,321,223
U.S. Department of Housing and Urban Development			
Office of Community Planning and Development			
<u>Pass-Through Payments</u>			
<u>Louisiana Department of Economic Development</u>			
Community Development Block Grant			
Small Business Recovery Loan and Grant Program - Phase I	14 228	07096A/645-872	932,770
Small Business Recovery Loan and Grant Program - Phase II	14 228	700587/645872	3,156,616
Small Business Recovery Loan and Grant Program- Revolving Capital Fund	14 228		3,977,009
Small Business Recovery Loan and Grant Program- Innovation Program	14 228		4,440
Total U.S. Department of Housing and Urban Development			8,070,835
U.S. Department of the Interior			
National Park Service			
<u>Pass-Through Payments</u>			
<u>Recreation and Tourism, State of Louisiana</u>			
<u>Office of Cultural Development</u>			
Historic Preservation	15 904	22-09-21824	15,000
U.S. Department of Transportation			
Federal Highway Administration			
<u>Pass-Through Payments</u>			
<u>Louisiana Department of Transportation and Development</u>			
Highway Planning and Construction -Metropolitan Planning	20 205	736-55-0050	204,224
	20 507	LA-90-X303-00	10,378
Federal Transit Formula Grants	20 507	LA-90-X362	36,650
Federal Transit Administration			
<u>Pass-Through Payments</u>			
<u>Louisiana Department of Transportation and Development</u>			
Federal Transit Metropolitan Planning Grants - Transit Planning	20 505	LA-80-0019 741-55-0115	49,550
National Highway Traffic Safety Administration			
<u>Pass-Through Payments</u>			
<u>Department of Public Safety and Corrections -</u>			
<u>Louisiana Highway Safety Commission</u>			
State and Community Highway Safety - South Central Safe Community Program	20 600	SA 20100300	111,545
Total U.S. Department of Transportation			412,347

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Federal Grantor/Pass- Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures
Environmental Protection Agency			
Office of the Chief Financial Officer			
Congressionally Mandated Projects - River Region Water and Wastewater Improvement Plan	66 202	XP-96624601-0	27,625
Surveys, Studies, Investigations and Special Purpose Grants - South Central Louisiana Clean Water Action Plan	66 606	XP-97685601-0	5,934
Office of Solid Waste and Emergency Response			
Brownsfield Pilots Cooperative Agreements - Louisiana Brownsfield Pilot Program			
Brownsfield Assessment and Cleanup Cooperative Agreements - Brownsfield Petroleum Assessment	66 818	BF-96640201-0	16,197
Brownsfield Hazardous Site Assessment	66 818	BF-96635801-0	1,340
Brownsfield Revolving Loan Fund	66 818	DL-96693301	74,820
Brownsfield Petroleum Assessment Pt. 2	66 818		671
Brownsfield Hazardous Site Assessment Pt. 2	66 818		717
Total Environmental Protection Agency			<u>127,304</u>
Delta Regional Authority			
Delta Local Development District Assistance	90 202	2010 Grant Program	<u>10,000</u>
U.S. Department of Homeland Security			
<u>Pass-Through Payments</u>			
<u>Louisiana Department of Homeland Security and Emergency Preparedness</u>			
River Bayou Parish Mutual Aid and Assistance Task Force			
Homeland Security Grant Program	97 067	101-95	1,277,552
GOSHEP Reimbursable Grant Award			
Hazard Mitigation Grant	97 067		<u>225,757</u>
Total U.S. Department of Homeland Security			<u>1,503,309</u>
Total			<u>\$ 12,460,018</u>

See notes to schedule of expenditures of federal awards

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

South Central Planning & Development Commission, Inc.

June 30, 2011

Note 1 - GENERAL

The Commission's Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Commission. Expenditures of all federal financial assistance received directly from federal agencies are included on the schedule, as well as federal financial assistance passed-through other government agencies.

Note 2 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the South Central Planning & Development Commission, Inc and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3 - VALUE OF LOANS OUTSTANDING

The value of loans outstanding at June 30, 2011 for the Sudden and Severe Economic Dislocation Adjustment Revolving Loan Fund, Federal CFDA number 11.307, was \$1,284,582, and the Small Business Recovery Loan and Grant Programs, Federal CFDA number 14.228, \$5,916,720. In addition an allowance for loan losses amounting to \$330,000 has been recorded in the financial statements as of June 30, 2011.

Note 4 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2011.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major program: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes X no

c) Identification of Major Program:

CFDA Number

Name of Federal Program (or Cluster)

14 228

Community Development Block Grants/
Small Business Recovery Loan and Grant
Programs

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Section I Summary of Auditor's Results (Continued)

c) Identification of Major Program (continued):

CFDA Number

Name of Federal Program (or Cluster)

97.067

River Bayou Parish Mutual Aid and
Assistance Task Force – Homeland
Security Grant Program

Dollar threshold used to distinguish
between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

____ yes X no

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2011.

Section III Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2011

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

- 10-1 **Recommendation** – We recommend information in sufficient detail be provided to the Accounting Department to recognize changes in the allowance for loan losses as such information becomes available.

Management's Response - The Commission provided adequate detail among the necessary departments of any relevant changes in the allowance for loan losses when it becomes available. Accordingly, the allowance for loan losses was adjusted during the year. **Resolved.**

Compliance

- 10-2 **Recommendation** – We recommend that the Commission comply with state law and submit their audited financial statements to the Legislative Auditor within six months of the close of their fiscal year.

Management's Response – The Commission abided by State Law by submitting our audited financial statements to the Legislative Auditor within six months of the close of our fiscal year. **Resolved.**

Section II Internal Control and Compliance Material to Federal Awards

Internal Control and Compliance

- 10-3 **Recommendation** – We recommend that the Commission administer the grant in accordance with the internal guideline document and that the board and staff familiarize themselves with the policy.

Management's Response – The Commission's staff obtained documentation required by internal guidelines for all previously existing and new loans. In addition a new internal guideline policy was adopted during the fiscal year. New loans issued under the new policy have included all necessary information. **Resolved.**

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
(Continued)

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Section II Internal Control and Compliance Material to Federal Awards (Continued)

Internal Control and Compliance

10-4 **Recommendation** – We recommend that the Commission administer the grant in accordance with the collection policy in place.

Management's Response – The Commission abided by its collection policy in administering the loan program. **Resolved.**

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2010.

MANAGEMENT'S CORRECTIVE ACTION PLAN

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2011

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2011.

No significant deficiencies were reported during the audit for the year ended June 30, 2011.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2011.

Section II Internal Control and Compliance Material to Federal Awards

Internal Control and Compliance

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2011.

Section III Management Letter

11-1 Recommendation – We recommend that the Commission follow all internal guidelines and update all loan folders accordingly to the policy in effect when the loan was issued.

Response – The Commission will strive to abide by all internal guidelines and update all loan folders accordingly.

To the Board of Commissioners,
South Central Planning and Development Commission,
Houma, Louisiana.

We have audited the basic financial statements of the South Central Planning and Development Commission (the Commission), as of and for the year ended June 30, 2011, and have issued our report thereon dated December 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. In planning and performing our audit, we considered the Commission's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters, which represent immaterial noncompliance with certain provisions of laws, regulations, contracts and grants. The memorandum that accompanies this letter summarizes our suggestions and recommendations regarding these matters. We previously reported on the Commission's compliance in our report dated December 27, 2011. This letter does not affect our report dated December 27, 2011 on the basic financial statements of the Commission.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendations with the Commission, and we will be pleased to discuss them in further detail at your convenience, to perform an additional study of the matters or to assist you in implementing the recommendations.

Sincerely,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 27, 2011.

MANAGEMENT COMMENTS

South Central Planning and Development Commission

For the year ended June 30, 2011

11-1 Condition – Loans issued before January 2011 followed a previous policy. During the sample it was noted one loan issued under this policy was not charged a 5% late fee. In addition, 5 loans tested under this policy were granted deferrals but no references to the approval of these deferrals were made in the minutes.

Loans issued after January 2011 followed the new policy. One loan tested under the new policy did not have documentation of a temporary approval of workout plan or moratoria of up to six months. Also, one loan issued under the new policy did not have documentation of board approval of deferment or workout plan in minutes.

Context – Isolated to loan borrowers affected by the BP oil spill whom were granted general deferments. Additionally, we noted a single borrower was not charged a 5% late fee.

Effect – The Commission did not follow the internal guideline policy.

Cause – The Commission overlooked these individual guideline items

Recommendation – We recommend that the Commission follow all internal guidelines and update all loan folders according to the policy in effect when the loan was issued.